



CITY OF MOUNTAIN VIEW

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

500 Castro Street • Post Office Box 7540 • Mountain View • California • 94039-7540
650-903-6316 • Fax 650-968-1786

May 2, 2014

«CUSTOMER»
«ADDRESS_1»
«ADDRESS_2»
«ADDRESS_3»

NOTICE OF PUBLIC HEARING PROPOSED WASTEWATER AND CERTAIN TRASH/RECYCLING RATES EFFECTIVE JULY 1, 2014

City of Mountain View City Council Chambers
500 Castro Street, Second Floor
June 17, 2014 – 6:30 p.m.
or as soon thereafter as the matter can be heard

Rate increases are generally necessary to pay for the higher fees the City of Mountain View (City) will be charged by the San Francisco Public Utilities Commission (SFPUC) and the Santa Clara Valley Water District (SCVWD) for the water it supplies to the City; the Palo Alto Regional Water Quality Control Plant (PARWQCP) for the treatment of the City's wastewater; Recology for trash and recycling collection services; and the Sunnyvale Materials and Recovery Transfer (SMaRT®) Station for processing trash and recyclables.

WASTEWATER (SEWER) RATES

The City of Palo Alto has notified the City of a proposed increase in the PARWQCP budget for Fiscal Year 2014-15 of approximately 2.8 percent. Wastewater rates paid by Mountain View customers fund the cost of treating wastewater generated in the City at the PARWQCP (approximately 58.0 percent of costs) and costs to operate the City's sewer system (approximately 42.0 percent of costs). A 2.0 percent increase is proposed to offset the increase from PARWQCP for treatment costs and Consumer Price Index (CPI) increase for operating costs. An additional 2.0 percent rate increase per year for 10 years is proposed to phase in the costs attributable to major renovations at the PARWQCP. **Effective July 1, 2014, a total 4.0 percent rate increase (rounded to the next nickel) is proposed.** Until the City of Palo Alto provides a final budget for Fiscal Year 2014-15, the City can only estimate the potential rate impact. However, the City will not increase wastewater rates by more than 6.0 percent without providing further written notice to its customers (see below for proposed and maximum rates).

WASTEWATER RATES – EFFECTIVE JULY 1, 2014

WASTEWATER	CURRENT		PROPOSED	MAXIMUM
Residential (Flat Rate)	\$26.10		\$27.15	\$27.70
Base Commercial (Per Unit of Water)*	\$3.40		\$3.55	\$3.60
Industrial/Groundwater (Per Unit of Water)*	\$5.80	(1.7 x Base)	\$6.05	\$6.15
Restaurants (Per Unit of Water)*	\$6.65	(1.95 x Base)	\$6.95	\$7.05

* A minimum charge for 7 units applies where applicable

TRASH AND RECYCLING RATES

The City's residential and commercial trash, yard trimmings, and recyclables are processed at the SMaRT Station under a contract between the City and the City of Sunnyvale. The contract provides for the City to pay its proportional share of costs and the SMaRT Station is proposing an increase of 0.31 percent for Fiscal Year 2014-15. Recology is the private company that provides trash and recyclables collection services in the City. The second year of the new contract with Recology provides for a 1.12 percent increase. **Effective July 1, 2014, a 3.0 percent rate increase (rounded to the next nickel) is proposed** for cart, debris box, and compactor services (for bin services see below) to offset these costs, along with a CPI increase for operating costs. The 32-gallon cart service rate is expected to increase by approximately 70 cents per month. The City will not increase trash and recycling rates by more than 5.0 percent without providing further written notice to its customers (see below for a sample of proposed and maximum rates and Exhibit 1 for a full list of proposed rates).

**SAMPLE TRASH AND RECYCLING RATES (CARTS, DEBRIS BOXES, COMPACTORS)
EFFECTIVE JULY 1, 2014**

TRASH AND RECYCLING	CURRENT	PROPOSED	MAXIMUM
Per 32-Gallon Cart	\$22.60	\$23.30	\$23.75
Debris Box 8-Yard (3 tons)	\$659.40	\$679.20	\$692.40
Compactor Per Yard	\$61.45	\$63.30	\$64.55

This is a sample calculation of proposed rates based upon a proposed rate increase of 3.0 percent. A complete list of proposed rates is included as Exhibit 1.

PROTESTS

Article XIII(D) of the California State Constitution, also known as Proposition 218, allows utility customers to submit written protests to the City regarding proposed rate increases. Utility customers objecting to any or all of the proposed utility rates described in this notice may file written protests with the City Clerk, no e-mail protests are accepted. Protests must be received before the close of the Public Hearing on June 17, 2014.

Written notices should be addressed as follows: City of Mountain View City Clerk
Attn: Agenda 061714
P.O. Box 7540
Mountain View, CA 94039-7540

Protests may also be submitted in person at the City Clerk's Office in City Hall (500 Castro Street) or at the hearing on June 17. Pursuant to California Government Code Section 53755(a)(3)(b), only one written protest per parcel filed by a property owner or utility customer of the parcel who is responsible for paying the rates will be counted to determine whether or not there is a majority protest to the proposed rate increases. To be included in the protest count, a protest must be signed and include the address of the utility customer submitting the protest or, if submitted by a property owner who is not a utility customer, the service address; be timely; be submitted with respect to a property served by the City's utilities; and state that it is protesting one or more of the proposed rate increases.

Additional information about the proposed rate increases can be found in the City's Narrative Budget Report <http://www.mountainview.gov/civica/filebank/blobdload.asp?BlobID=11954>. You may also contact the City's Finance and Administrative Services Department at (650) 903-6316 or e-mail finance@mountainview.gov if you have questions about this notice or the proposed utility rate increases.

The rates stated in this notice will not be increased above the maximum rates stated above without further written notice to the City's customers and a further protest hearing pursuant to Proposition 218 except as permitted by Government Code Section 53756 as follows:

(i) Inflation adjustment: The rates stated here may be adjusted for inflation as of July 1 of 2015, 2016, 2017, and 2018 to reflect the annual change in the CPI for All Urban Consumers in the San Francisco Metropolitan Area as published by the U.S. Department of Labor, or any successor to that index, February of each year which is typically published in March, provided that no such increase may establish rates which exceed the City's actual cost to provide service.

(ii) Third-party (supplier) pass-through costs: Any increase in the wholesale cost of water, treatment of wastewater, or processing or collection of trash and recycling provided to the City of Mountain View prior to July 1, 2019, including costs established by the third-party supplier (SFPUC, SCVWD, PARWQCP, Recology, or the SMaRT Station) may be passed through to customers of Mountain View's utilities as follows: the third-party cost as a percent of operating costs multiplied by the rate increase received from the third-party supplier (SFPUC, SCVWD, PARWQCP, Recology, or the SMaRT Station).

NOTICE OF WATER AND CERTAIN TRASH/RECYCLING RATE CHANGES—NO PROPOSITION 218 HEARING REQUIRED

WATER RATES

The SFPUC has notified the City of a proposed 19.6 percent increase in wholesale rates effective July 1, 2014. The SCVWD has notified the City of a proposed 8.6 percent increase in the treated water rate and a 9.9 percent increase in the well water rate for Fiscal Year 2014-15. **Effective July 1, 2014, a 7.0 percent increase is proposed for the average cost of water (rounded up to the next penny)** to offset increases from providers. The CPI for All Urban Consumers in the San Francisco Metropolitan area for February 2014 is 2.4 percent. **A 2.4 percent rate increase is proposed for Meter and Recycled Water rates (rounded up to the next nickel and penny, respectively).** Until the SFPUC and SCVWD provide final rates for Fiscal Year 2014-15, the City can only estimate the potential rate impact on its water customers. However, the City will not increase water rates by more than 12.0 percent without providing further written notice to its customers. Based on the pass-through increases and CPI, the City could increase rates by 12.7 percent (see below for a sample of proposed and maximum rates and Exhibit 1 for a full list of proposed rates).

SAMPLE PROPOSED WATER RATES – EFFECTIVE JULY 1, 2014

	CURRENT	PROPOSED	MAXIMUM
Meter Charge ⁽¹⁾			
5/8" and 3/4"	\$10.80	\$11.10	\$11.10
1"	\$21.60	\$22.20	\$22.20
1-1/2"	\$43.20	\$44.40	\$44.40
All Single-Family ⁽²⁾			
0-3 Units	\$3.54	\$3.80	\$3.97
>3-15 Units	\$4.72	\$5.06	\$5.29
>15 Units	\$7.55	\$8.10	\$8.46
All Nonresidential			
Uniform	\$4.72	\$5.06	\$5.29
Recycled Water (uniform)	\$2.75	\$2.82	\$2.82

⁽¹⁾ Meter rates are tied to capacity ratios published by the American Water Works Association (AWWA).

⁽²⁾ The Uniform and Tier 2 rates reflect the average cost of water. Tier 1 is set at 75.0 percent and Tier 3 is set at 160.0 percent of the average cost of water (or Tier 2).

One unit of water is 100 cubic feet (ccf) or 748 gallons. Water rates are per unit. A complete list of proposed rates is included as Exhibit 1.

TRASH AND RECYCLING RATES – BIN SERVICE

Effective July 1, 2014, a 1.0 percent rate increase (rounded to the next nickel) is proposed for all bin services. Based on the pass-through increases and CPI, the City could increase rates by 1.1 percent (see below for a sample of proposed and maximum rates and Exhibit 1 for a full list of proposed rates).

SAMPLE PROPOSED TRASH AND RECYCLING RATES (BINS) – EFFECTIVE JULY 1, 2014

TRASH AND RECYCLING	CURRENT	PROPOSED	MAXIMUM
3-Yard Bin 1x per week pickup	\$297.25	\$300.25	\$300.25
3x per week pickup	\$931.90	\$941.25	\$941.25
Bin for a day	\$225.00	\$228.00	\$228.00

This is a sample calculation of proposed rates based upon a proposed rate increase of 1.0 percent for bin service. A complete list of proposed rates is included as Exhibit 1.

UTILITY RATES

Title	Current	Proposed	Maximum	Basis
<u>Trash and Recycling Service:</u>				
Bin For A Day	\$225.00	\$228.00	\$228.00	Fixed
Bin Rental (Trash & Compost):				
1 cubic yard	\$19.85	\$20.05	\$20.05	Container/Month
2 cubic yards	\$29.80	\$30.10	\$30.10	Container/Month
3 cubic yards	\$39.70	\$40.10	\$40.10	Container/Month
4 cubic yards	\$49.60	\$50.10	\$50.10	Container/Month
6 cubic yards	\$59.60	\$60.20	\$60.20	Container/Month
Bin Service (Trash):				
One Cubic Yard				
1 Time/Week	\$99.20	\$100.20	\$100.20	Container/Month
2 Times/Week	\$218.35	\$220.55	\$220.55	Container/Month
3 Times/Week	\$337.10	\$340.50	\$340.50	Container/Month
4 Times/Week	\$456.00	\$460.60	\$460.60	Container/Month
5 Times/Week	\$574.95	\$580.70	\$580.70	Container/Month
6 Times/Week	\$693.75	\$700.70	\$700.70	Container/Month
Two Cubic Yards				
1 Time/Week	\$198.15	\$200.15	\$200.15	Container/Month
2 Times/Week	\$416.60	\$420.80	\$420.80	Container/Month
3 Times/Week	\$634.70	\$641.05	\$641.05	Container/Month
4 Times/Week	\$852.65	\$861.20	\$861.20	Container/Month
5 Times/Week	\$1,070.60	\$1,081.35	\$1,081.35	Container/Month
6 Times/Week	\$1,288.75	\$1,301.65	\$1,301.65	Container/Month
Three Cubic Yards				
1 Time/Week	\$297.25	\$300.25	\$300.25	Container/Month
2 Times/Week	\$614.70	\$620.85	\$620.85	Container/Month
3 Times/Week	\$931.90	\$941.25	\$941.25	Container/Month
4 Times/Week	\$1,249.30	\$1,261.80	\$1,261.80	Container/Month
5 Times/Week	\$1,566.50	\$1,582.20	\$1,582.20	Container/Month
6 Times/Week	\$1,883.75	\$1,902.60	\$1,902.60	Container/Month
Four Cubic Yards				
1 Time/Week	\$396.35	\$400.35	\$400.35	Container/Month
2 Times/Week	\$813.15	\$821.30	\$821.30	Container/Month
3 Times/Week	\$1,229.30	\$1,241.60	\$1,241.60	Container/Month
4 Times/Week	\$1,645.75	\$1,662.25	\$1,662.25	Container/Month
5 Times/Week	\$2,062.15	\$2,082.80	\$2,082.80	Container/Month
6 Times/Week	\$2,478.40	\$2,503.20	\$2,503.20	Container/Month
Six Cubic Yards				
1 Time/Week	\$594.55	\$600.50	\$600.50	Container/Month
2 Times/Week	\$1,209.50	\$1,221.60	\$1,221.60	Container/Month
3 Times/Week	\$1,824.45	\$1,842.70	\$1,842.70	Container/Month
4 Times/Week	\$2,439.05	\$2,463.45	\$2,463.45	Container/Month
5 Times/Week	\$3,053.55	\$3,084.10	\$3,084.10	Container/Month
6 Times/Week	\$3,668.15	\$3,704.85	\$3,704.85	Container/Month

Title	Current	Proposed	Maximum	Basis
Special Extra Pickup				
1 cubic yard	\$77.25	\$78.05	\$78.05	Pickup
2 cubic yards	\$96.75	\$97.75	\$97.75	Pickup
3 cubic yards	\$123.60	\$124.85	\$124.85	Pickup
4 cubic yards	\$169.10	\$170.80	\$170.80	Pickup
6 cubic yards	\$258.50	\$261.10	\$261.10	Pickup
Cart Service:				
Cart Service (Compost)				
(offered for 64-gallon only)				
1 Time/Week	\$33.90	\$34.95	\$35.60	Container/Month
2 Times/Week	\$74.60	\$76.85	\$78.35	Container/Month
3 Times/Week	\$114.95	\$118.40	\$120.70	Container/Month
4 Times/Week	\$155.95	\$160.65	\$163.75	Container/Month
5 Times/Week	\$196.65	\$202.55	\$206.50	Container/Month
Extra Pickup	\$22.50	\$23.20	\$23.65	Pickup
Cart Service (Trash):				
20-Gallon (residential only)	\$15.45	\$15.95	\$16.25	Container/Month
32-Gallon	\$22.60	\$23.30	\$23.75	Container/Month
64-Gallon	\$45.20	\$46.60	\$47.50	Container/Month
96-Gallon	\$67.80	\$69.90	\$71.20	Container/Month
Compactor Service:				
Compactor Service (Trash):				
Per Compacted Yard	\$61.45	\$63.30	\$64.55	Pickup (on-call and regular service)
10 cubic yards	\$614.50	\$633.00	\$645.50	Fixed
20 cubic yards	\$1,229.00	\$1,266.00	\$1,291.00	Fixed
25 cubic yards	\$1,536.25	\$1,582.50	\$1,613.75	Fixed
30 cubic yards	\$1,843.50	\$1,899.00	\$1,936.50	Fixed
35 cubic yards	\$2,150.75	\$2,215.50	\$2,259.25	Fixed
40 cubic yards	\$2,458.00	\$2,532.00	\$2,582.00	Fixed
Debris Box:				
Rental:				
Daily (after 7 days)	\$13.95	\$14.10	\$14.65	+7 days
Monthly	\$424.35	\$428.90	\$445.65	Month
Trash:				
16 cubic yards (3-ton base)	\$659.40	\$679.20	\$692.37	Pickup (on-call and regular service)
or 8 cubic yard rock box				
20 cubic yards (3-ton base)	\$791.70	\$815.50	\$831.30	Pickup (on-call and regular service)
25 cubic yards (4-ton base)	\$914.35	\$941.80	\$960.10	Pickup (on-call and regular service)
30 cubic yards (4-ton base)	\$1,037.00	\$1,068.15	\$1,088.85	Pickup (on-call and regular service)
40 cubic yards (5-ton base)	\$1,199.20	\$1,235.20	\$1,259.20	Pickup (on-call and regular service)
50 cubic yards (5-ton base)	\$1,363.45	\$1,404.40	\$1,431.65	Pickup (on-call and regular service)
Additional Tonnage Over Base	\$117.35	\$120.90	\$123.25	Ton (or fraction thereof) (over box base)

Title	Current	Proposed	Maximum	Basis
<u>Wastewater Service:</u>				
Base Commercial	\$3.40/unit (748 gallons) or fraction thereof of water consumed (\$23.80 min.)	\$3.55/unit (748 gallons) or fraction thereof of water consumed (\$24.85 min.)	\$3.60/unit (748 gallons) or fraction thereof of water consumed (\$25.55 min.)	Quantity
Commercial/Industrial, Chemical, Groundwater, Liquid Waste	\$5.80/unit (1.7 x base) (748 gallons) or fraction thereof of water consumed (\$40.60 min.)	\$6.05/unit (1.7 x base) (748 gallons) or fraction thereof of water consumed (\$42.35 min.)	\$6.15/unit (1.7 x base) (748 gallons) or fraction thereof of water consumed (\$43.75 min.)	Quantity
Restaurant	\$6.65/unit (1.95 x base) (748 gallons) or fraction thereof of water consumed (\$46.55 min.)	\$6.95/unit (1.95 x base) (748 gallons) or fraction thereof of water consumed (\$48.65 min.)	\$7.05/unit (1.95 x base) (748 gallons) or fraction thereof of water consumed (\$50.05 min.)	Quantity
Single-Family Residence, Duplex, Multiple Dwellings, Mobile Homes, and Trailer Courts	\$26.10	\$27.15	\$27.70	Dwelling Unit/Month
<u>Water Service:</u>				
Backflow Prevention Devices – Inside City Limits (Commercial, Industrial)				
5/8" to 1" meter	\$22.95	\$23.55	\$23.55	Monthly
1.5" to 2" meter	\$35.10	\$35.95	\$35.95	Monthly
3" meter	\$41.25	\$42.25	\$42.25	Monthly
4" meter	\$48.80	\$50.00	\$50.00	Monthly
6" meter	\$59.20	\$60.65	\$60.65	Monthly
8" to 10" meter	\$72.85	\$74.60	\$74.60	Monthly
Backflow Prevention – Outside City Limits				
5/8" to 1" meter	\$28.70	\$29.45	\$29.45	Monthly
1.5" to 2" meter	\$43.90	\$44.95	\$44.95	Monthly
3" meter	\$51.60	\$52.85	\$52.85	Monthly
4" meter	\$61.00	\$62.50	\$62.50	Monthly
6" meter	\$74.00	\$75.85	\$75.85	Monthly
8" to 10" meter	\$91.10	\$93.25	\$93.25	Monthly

Title	Current	Proposed	Maximum	Basis
Fire Service:				
Meter	\$9.23/inch diameter \$36.92 (minimum)	\$9.46/inch diameter \$37.84 (minimum)	\$9.46/inch diameter \$37.84 (minimum)	Monthly
Consumption – Uniform	\$4.72	\$5.06	\$5.29	ccf/month
Consumption – Inside City Limits ⁽¹⁾				
Commercial/Nonresidential Uniform	\$4.72	\$5.06	\$5.29	ccf/month
Residential – Multi-Family				
Tier 1 0 to 2 ccf	\$3.54	\$3.80	\$3.97	ccf/month/dwelling
Tier 2 >2 to 7 ccf	\$4.72	\$5.06	\$5.29	ccf/month/dwelling
Tier 3 >7 ccf	\$7.55	\$8.10	\$8.46	ccf/month/dwelling
Residential – Single-Family				
Tier 1 0 to 3 ccf	\$3.54	\$3.80	\$3.97	ccf/month
Tier 2 >3 to 15 ccf	\$4.72	\$5.06	\$5.29	ccf/month
Tier 3 >15 ccf	\$7.55	\$8.10	\$8.46	ccf/month
Consumption – Outside City Limits				
Commercial/ All Other Uniform	\$5.90	\$6.33	\$6.61	ccf/month
Residential				
Tier 1 0 to 3 ccf	\$4.43	\$4.75	\$4.96	ccf/month/dwelling
Tier 2 >3 to 15 ccf	\$5.90	\$6.33	\$6.61	ccf/month/dwelling
Tier 3 >15 ccf	\$9.44	\$10.13	\$10.58	ccf/month/dwelling
Consumption – Recycled Water	\$2.75	\$2.82	\$2.82	ccf/month
Meter – Inside City Limits and Recycled Water ⁽²⁾				
Residential – Single-Family	\$10.80	\$11.10	\$11.10	Monthly
Residential – Multi-Family/ Commercial/ All Other:				
5/8" and 3/4" meters	\$10.80	\$11.10	\$11.10	Monthly
1" meter (x2)	\$21.60	\$22.20	\$22.20	Monthly
1.5" meter (x4)	\$43.20	\$44.40	\$44.40	Monthly
2" meter (x6.4)	\$69.15	\$71.05	\$71.05	Monthly
3" meter (x12)	\$129.60	\$133.20	\$133.20	Monthly
4" meter (x20)	\$216.00	\$222.00	\$222.00	Monthly
6" meter (x40)	\$432.00	\$444.00	\$444.00	Monthly
8" meter (x64)	\$691.20	\$710.40	\$710.40	Monthly
10" meter (x96)	\$1,036.80	\$1,065.60	\$1,065.60	Monthly

⁽¹⁾ The uniform and Tier 2 rates reflect the average cost of water. Tier 1 is set at 75.0 percent and Tier 3 is set at 160.0 percent of the average cost of water (Tier 2).

⁽²⁾ Meter rates are tied to capacity ratios published by the American Water Works Association (AWWA).

Title	Current	Proposed	Maximum	Basis
Meter – Outside City Limits				
5/8" and 3/4" meters	\$13.50	\$13.90	\$13.90	Monthly
1" meter	\$27.00	\$27.75	\$27.75	Monthly
1.5" meter	\$54.00	\$55.50	\$55.50	Monthly
2" meter	\$86.45	\$88.85	\$88.85	Monthly
3" meter	\$162.00	\$166.50	\$166.50	Monthly
4" meter	\$270.00	\$277.50	\$277.50	Monthly
6" meter	\$540.00	\$555.00	\$555.00	Monthly
8" meter	\$864.00	\$888.00	\$888.00	Monthly
10" meter	\$1,296.00	\$1,332.00	\$1,332.00	Monthly